



# 2010 Instructions for Schedule M (Form 1040A or 1040)

## Draft Worksheet

### 2010 Instructions for Schedule M (Form 1040A or 1040) Draft Worksheet

This draft worksheet from the 2010 Instructions for Schedule M (Form 1040A or 1040), Making Work Pay Credit, for tax year 2010, is only available on the Internet. Since it is a draft, it is subject to change. If this worksheet is revised, it will be reposted only if there is a change in the computation. When the final version of Instructions for Schedule M (Form 1040A or 1040) becomes available, this draft will be removed.

This worksheet is used to figure your earned income if you checked "no" on line 1a or meet one of the conditions listed after "Important."

**Comments and suggestions.** We welcome your comments about this worksheet.

You can write to us at the following address:

Internal Revenue Service  
Individual Forms and Publications  
Branch  
SE:W:CAR:MP:T:I  
1111 Constitution Ave. NW, IR-6526  
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

You can email us at [\\*taxforms@irs.gov](mailto:*taxforms@irs.gov). (The asterisk must be included in the address.) Please put "Instructions Comment" on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.



**Before you begin:**

- ✓ If you are claiming the additional child tax credit and have already completed Form 8812, enter on line 1a of Schedule M the amount from line 4a of your Form 8812. **Do not** complete the worksheet below.
- ✓ Disregard community property laws when figuring the amounts to enter on this worksheet.
- ✓ If married filing jointly, add your spouse's amounts to yours when completing this worksheet.

1. a. Enter the amount from line 7 of Form 1040A or Form 1040 ..... **1a.** \_\_\_\_\_  
 b. Enter the amount of any nontaxable combat pay received. Also enter this amount on Schedule M, line 1b. This amount should be shown in Form(s) W-2, box 12, with code Q. .... **1b.** \_\_\_\_\_  
**Next**, if you are filing Schedule C, C-EZ, F, or SE, or you received a Schedule K-1 (Form 1065 or Form 1065-B), go to line 2a. Otherwise, skip lines 2a through 2e and go to line 3.
2. a. Enter any statutory employee income reported on line 1 of Schedule C or C-EZ ..... **2a.** \_\_\_\_\_  
 b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1.\* Reduce this amount by any partnership section 179 expense deduction, any depletion on oil and gas properties, and any unreimbursed nonfarm partnership expenses deducted on Schedule E. **Do not** include any statutory employee income or any other amounts exempt from self-employment tax. Options and commodities dealers must add any gain or subtract any loss (in the normal course of dealing in or trading section 1256 contracts) from section 1256 contracts or related property .... **2b.** \_\_\_\_\_  
 c. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A.\* Reduce this amount by any partnership section 179 expense deduction, any depletion on oil and gas properties, and any unreimbursed farm partnership expenses deducted on Schedule E. **Do not** include any amount exempt from self-employment tax ..... **2c.** \_\_\_\_\_  
 d. If you used the farm optional method to figure net earnings from self-employment, enter the amount from Schedule SE, Section B, line 15. Otherwise, skip this line and enter on line 2e the amount from line 2c ..... **2d.** \_\_\_\_\_  
 e. If line 2c is a profit, enter the **smaller** of line 2c or line 2d. If line 2c is a (loss), enter the (loss) from line 2c. .... **2e.** \_\_\_\_\_
3. Combine lines 1a, 1b, 2a, 2b, and 2e. If zero or less, **stop**. Do not complete the rest of this worksheet. You **do not** qualify for the making work pay credit ..... **3.** \_\_\_\_\_
4. Enter any amount included on line 1a that is:  
 a. A scholarship or fellowship grant not reported on Form W-2 ..... **4a.** \_\_\_\_\_  
 b. For work done while an inmate in a penal institution (enter "PRI" and this amount on the dotted line next to line 7 of Form 1040A or 1040) ..... **4b.** \_\_\_\_\_  
 c. A pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and this amount on the dotted line next to line 7 of Form 1040A or 1040). This amount may be shown in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity ..... **4c.** \_\_\_\_\_
5. a. Enter any amount included on line 3 that is also included on Form 2555, line 43, or Form 2555-EZ, line 18. **Do not** include any amount that is also included on line 4a, 4b, or 4c above ..... **5a.** \_\_\_\_\_  
 b. Enter the portion, if any, of the amount from Form 2555, line 44, that you also included on Schedule E in partnership net income or (loss) or deducted on: Form 1040, line 27; Schedule C; Schedule C-EZ; or Schedule F. .... **5b.** \_\_\_\_\_  
 c. Subtract line 5b from line 5a ..... **5c.** \_\_\_\_\_
6. Enter the amount from Form 1040, line 27 ..... **6.** \_\_\_\_\_
7. Add lines 4a through 4c, 5c, and 6 ..... **7.** \_\_\_\_\_
8. Subtract line 7 from line 3. Enter the result here and on Schedule M, line 1a ..... **8.** \_\_\_\_\_

*\*If you have any Schedule K-1 amounts and you are not required to file Schedule SE, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.*

